Performance of Steel Industry

3175. SHRI SURESH PACHOURI : Will the Minister of STEEL be pleased to state :

(a) the performance of steel industries during last three years;

(b) the problems faced by the steel industries today; and

(c) the detailed steps taken by Government to modernise steel industries?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) The performance of steel industries during the last 3 years in terms of production of finished steel is as below :—

Year	(in Million Tonnes)
1997-98	23.37
1998-99	23.82
1999-2000	26.48 (Provisional)

(b) The problems faced by the steel industry at present include :

(i) Sluggish growth in demand in the steel consuming sectors;

(ii) Greater competition from imports;

(iii) Dumping of finished steel;

(iv) Cost escalations in input materials for steel industry;

(v) Adverse conditions in export market for steel;

(vi) Decline in domestic and international prices.

(c) The Public and Private Sector Steel Plants have taken up the modernisation projects themselves to be technically competitive in the global market**.**

Competitiveness of SAIL

3176 . SHRI RAMACHANDRAIAH RUMANDLA : Will the Minister of STEEL be pleased to state the detailed plan of SAIL to overcome the setbacks it suffered and ensure competitiveness?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY) : Government has approved a package for the financial and business restructuring of SAIL to enable it to overcome setbacks suffered by it and ensure competitiveness. The package, *inter-alia,* includes :

(i) Waiver of loans from Steel Development Fund and the Government of India.

(ii) Provision of Government guarntee to raise loans to finance Voluntary Retirement Scheme and repayment of past obligations.

(iii) Divestment of non-Core Units while protecting jobs of existing employees.

(iv) Conversion of IISCO, a sick and loss making subsidiary, to a joint venture company with minority shareholding for SAIL.

SAIL is also implementing the following steps to improve its financial performance :—

(a) A reduction in operational costs by reducing input costs, reducing consumption of raw materials and other inputs and by increasing operating efficiencies;

(b) Improvement in techno-economic parameters such as fuel and power consumption;

(c) Increased recovery for services/facilities;

(d) Right sizing manpower through a Voluntary Retirement Scheme (VRS);

(e) Assets restructuring ,

(f) Disposal of idle assets; and

(g) Financial restrucuring.

By implementing the above measures, it is expected that SAIL will become competitive and return to profitability in next two to three years.

Bullet Proof Steel Fabricated by SAIL

3177. SHRI KRISHNA KUMAR BIRLA : Will the Minister of STEEL be pleased to state :